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FOR IMMEDIATE RELEASE

Wall Street Museum Honors Bruce Bent and Celebrates a Milestone in Financial History

Proud co-creator of the money fund, Bruce Bent still an innovator after 30 years

NEW YORK— This month the American Museum of Financial History, an affiliate of the Smithsonian Institution, honors Nassau County native Bruce R. Bent and the creation 30 years ago of the world's first money market mutual fund.

The Museum, located in the Wall Street financial district, will recognize the role money funds have played in the nation's financial history with exhibits chronicling money funds over the last 30 years.

"We congratulate Bruce Bent and The Reserve Funds on their 30 years of achievement," said Meg Ventrudo, Director for Exhibits and Education at the Museum. "We are pleased to celebrate their spirit of innovation in America's financial marketplace with a display of artifacts from the original money fund."

Since its creation in 1970, and opening to investors in 1971, the money market mutual fund has become a staple investment for millions of Americans and home to more than \$2.2 trillion. An integral part of every well-informed financial life, the creation of the money fund is recognized by virtually every financial publication worldwide as one of the most significant financial events of the 20th century.

"I wanted to offer people a safe, liquid place to put cash while providing a higher rate of return than couldn't be found elsewhere," said Bent, the 64-year-old chairman and founder of The Reserve Funds.

"Thirty years ago I had an epiphany," Bent said. "I was at my desk, looked up at my partner and said, 'Why not a mutual fund?'"

"I didn't know anything about mutual funds at the time, but I thought it could work. Everyone said it was impossible. 'You can't have same-day redemptions.' 'You can't have telephone redemptions.' 'You can't have daily dividends and you can't eliminate certificates.' I read the regulations and nowhere did it say it couldn't be done," Bent said. "People simply lacked the imagination to make it happen."

Back in 1971, one could buy a gallon of gas for around 36 cents, and a first class stamp cost 8 cents. But a high-interest C.D. was not available for less than \$100,000, and even then, investors were locked in for 90 days.

The landscape changed on October 8, 1971, when the world's first money market fund, The Reserve Fund, opened. Initially, Reserve faced an audience of skeptics. Mutual funds previously had been viewed as an unsophisticated tool for the unsophisticated investor. But Bent showed the world that mutual funds are indeed a sophisticated and, moreover, an incredibly versatile, tool for investing. Reserve's innovation sparked an industry that today totals more than \$2.2 trillion. And with current market volatility encouraging a flight to quality and liquidity, assets in money funds continue to grow.

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30 YEARS OF MONEY FUNDS

Page 2 of 2

According to Peter G. Crane, vice president and managing editor of industry-tracker iMoneyNet, money funds have earned millions of people billions of dollars.

"I'd estimate that money market mutual funds have earned investors over \$250 billion more than they would have made in bank products over their 30-year history," Crane said.

The value of a money fund is in the utility it affords. Money funds are flexible and creative, secure and liquid. Continuing its long tradition as an innovator in cash management, Reserve this year enhanced Reserve Insured DepositsSM, the first money market account to provide FDIC insurance up to \$200,000, with free checking, ATM cash access and airline reward points or a 1% cash rebate on purchases. Reserve also introduced the banking community to Reserve Return SweepSM, an efficient tool to retain deposits and increase spreads. Each of these products has increased the utility of Reserve, helping the company attract over one million accounts with more than \$13 billion in assets.

"Nobody can match Reserve's combination of experience, resources and service in cash management," Bent said.

"The World's First Money-Market Fund"SM was filed with the Securities and Exchange Commission in February 1970, and opened to investors on October 8, 1971. Today, Reserve manages more than \$13 billion. In addition to serving roughly 400 institutional clients, such as brokerage firms and banks, Reserve offers 15 money funds with several classes of shares for investments starting at \$1,000.

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The 30th anniversary of the money fund has been covered in the following top-tier news outlets and media interest continues to grow nationally, regionally and internationally.

Money Market Funds Turn 30; creator casts a wary eye, Reuters news service, 10/4/2001
Money fund pioneer: says 'junk' corrupts 'reasonable rate' idea, Investment News, 10/8/2001
Money Market Mutual Fund 30th Anniversary, CNN "Street Sweep," 10/9/2001
Money Markets Celebrate 30 Years, Associated Press, 10/9/2001
Money market funds a haven for 30 years, The Denver Post, 10/14/2001
A popular place to park your cash, Charlotte Observer, 10/14/2001
Money Markets Find Fans at 30, Christian Science Monitor, 10/15/2001
Know your nest egg: Money market funds are safe; but not all alike, Toronto Star, 10/20/2001
Safety Is The Main Issue: Some money funds focus on gov't debt, but others go into commercial paper, Investor's Business Daily, 10/23/2001
30th anniversary of money funds, E Trade On-Air radio show, 10/30/2001

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